

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: DECEMBER 2, 2009

DEPARTMENT: CITY ATTORNEY**DIRECTOR: BRADFORD R. JERBIC**☐ Consent ☒ Discussion**SUBJECT:**

Hearing, discussion and possible action regarding complaint seeking disciplinary action against Admistca, Inc., a Nevada corporation; William L. Jacobs and Adela Jacobs, individuals and officers of Admistca, Inc., all doing business as Paradise Lounge, 530 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada, for violations of the Las Vegas Municipal Code - Ward 5 (Barlow)

Fiscal Impact☒**No Impact**☐**Augmentation Required**☐**Budget Funds Available****Amount:****Funding Source:****Dept./Division:****PURPOSE/BACKGROUND:**

William L. Jacobs, Adela Jacobs and Admistca, Inc., d/b/a Paradise Lounge, hold a privileged conditional Tavern License No. L16-00298-4-001445, a privileged conditional Gaming License No. G01-02343-4-001445; a general Miscellaneous Sales License No. M06-00667-4-001445; a general Coin Amusement Machine License No. C08-01170-2-001445; a general Retail Tobacco License No. C05-02395-E-001445; and a general Handbill License No. H02-01565-E-001445. The business has operated as a nuisance by creating an adverse and dangerous environment for its patrons and the public in which violence has repeatedly and continuously occurred requiring undue calls for service/arrest by law enforcement.

RECOMMENDATION:

Revocation of Tavern License No. L16-00298-4-001445, Gaming License No. G01-02343-4-001445, Miscellaneous Sales License No. M06-00667-4-001445, Coin Amusement Machine License No. C08-01170-2-001445, Retail Tobacco License No. C05-02395-E-001445, and Handbill License No. H02-01565-E-001445.

BACKUP DOCUMENTATION:

1. Complaint for Disciplinary Action
2. Submitted after Final Agenda – Response Letter to Complaint for Disciplinary Action by William Jacobs
3. Submitted at Meeting – Evidence Binder by Staff

Motion made by RICKI Y. BARLOW to Approve the revocation of all licenses for Paradise Lounge

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Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

SENIOR LITIGATION COUNSEL JIM ERBECK stated that the complaint seeking disciplinary action against Admistca, Inc., was approved by the City Council 10/21/2009, at which time the hearing was set for this meeting. WILLIAM JACOBS had 28 days to file an answer, but failed to do so; therefore, all allegations in the complaint are deemed to be true. MR. JACOBS alleged that he attempted to file an answer on 11/27/2009, but the City Clerk's Office was closed due to the Thanksgiving Holiday. Since an answer was not filed, SENIOR LITIGATION COUNSEL ERBECK requested that the Council deem all allegations to be true and to revoke all the licenses associated with Admistca, Inc.

COUNCILMAN BARLOW thanked SENIOR LITIGATION COUNSEL ERBECK for his comments and his recommendation; however, he opted to accept the letter of response filed 11/30/2009 and requested the support of the Council in his decision. MAYOR GOODMAN agreed with COUNCILMAN BARLOW'S decision, adding that MR. JACOB'S attorney had resigned, and he would like to continue with the hearing.

At the request of SENIOR LITIGATION COUNSEL ERBECK, JIM DiFIORE, Manager of Business Services, relayed to the Council his familiarity with Paradise Lounge, its owner and any meetings that may have been held with him, his personnel, and officers of the Las Vegas Metropolitan Police Department (Metro). In 11/2008, Paradise Lounge was considered for and granted a permanent business license with the condition that on-site security personnel be hired and undergo the work-card process.

After being trailed at 10:13 a.m. and discussion resumed on this matter, MR. DiFIORE continued and indicated that nine security personnel were approved and three were denied by Metro's Fingerprinting Division because of their criminal history. A meeting, which Metro detectives attended, was held in 1/2009 to discuss with MR. JACOBS problems that had occurred at the business location in 12/2008. During this meeting, it was suggested that the applicant be required to immediately report any incidents to Business Services and to the Bolden Area Command so that officers could try to mitigate the situations. However, MR. JACOBS failed to comply with this suggestion. A second meeting was held in 2/2009, in which some of the same concerns were discussed, and MR. JACOBS was advised that he needed to be more proactive, but that has yet to occur.

On 10/6/2009, MR. JACOBS requested approval of an event to be held at his place of business, and staff recommended denial of that event due to the overall incidents and concern about the safety of the surrounding community. Over a year ago, staff asked him to consider the incidents that had transpired and to take responsibility for certain actions and to correct them.

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MR. DiFIORE informed SENIOR LITIGATION COUNSEL ERBECK that during daytime inspections for this timeframe, some employees were found to be working without a work card, and correction notices were issued to those employees, as well as to MR. JACOBS for not maintaining a security list.

SENIOR LITIGATION COUNSEL ERBECK listed the incidents reported on Pages 2-4 of the complaint and confirmed with MR. DiFIORE that he reviewed all the police reports and calls for service to assess that they did occur.

MAYOR GOODMAN deferred to MR. JACOBS for questions of MR. DiFIORE.

MR. JACOBS questioned the discrepancy between the alleged 250 calls for service listed in the complaint for Paradise Lounge and the 179 calls listed in the former complaint. MR. JACOBS alleged that the complaint sent to his attorney indicated a total of 179 calls for service. MR. DiFIORE explained that from the date the original complaint was submitted to the City Attorney, there were additional calls for service that amounted to more than 225 calls. Simply put, he explained that between 11/19/2008 and 7/19/2009 there were 179 calls for service and between 7/19/2009 and 10/16/2009 an additional 73 calls for service were reported.

MR. JACOBS asked why he was not allowed due process when he appeared before the Council 10/21/2009, nor informed of the emergency suspension of his business license. Why was he informed after he called? MR. DiFIORE answered that on 10/16/2009, MR. JACOBS received notice of the emergency suspension, and it clearly explained the City's action. On 10/21/2009, the City Council considered a disciplinary complaint, of which MR. JACOBS received notice advising him that he could contact SENIOR LITIGATION COUNSEL ERBECK and of the appeal process.

MAYOR GOODMAN confirmed with SENIOR LITIGATION COUNSEL ERBECK that he had no more witnesses to call.

MR. JACOBOS commented that every call for service listed in the report deals with gang activity, not with serving alcohol to minors or with events taking place at his establishment. He opined that he satisfied the requirement regarding hiring qualified security, as well as followed up on the advice of Metro to visit other establishments with minimal activity. He also met with SERGEANT JACK CLEMENTS of the Bolden Area Command on 2/11/2009, at which time he advised SERGEANT CLEMENTS that he was reluctant to make calls to Metro for fear of them being counted against his license, as the previous business owners had expressed concern about this. SERGEANT CLEMENTS assured him that any problems reported would not count against the license owner, but rather it would keep them better informed so that Metro could assist him. Consequently, MR. JACOBS made many calls to Metro, and he tried to be present every time Metro responded, except on the day his son got married.

On the advice of Metro, he changed the security personnel's uniforms, hired his son as key employee, created code colors, implemented the use of radios, implemented crowd control measures, posted NRS rules, did away with hip-hop live entertainment, obtained a handbill license and implemented parking lot patrol every 15 minutes.

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MR. JACOBS assured the Council that he took all the aforementioned measures on his own accord. He strongly believes Paradise Lounge is not the cause of the problems; the problems stem from the gangs in the area and the bad neighborhood. But when he tried to speak with a sergeant that he did not want to name about gang activity, he was informed that being a gang member in Nevada is not illegal.

Regarding an incident in the complaint involving a vehicle in the back alley of his business, in which one of the eight arrests made involved his disc jockey for failure to pay child support, MR. JACOBS argued that he had no control over such incidents. He agreed that he did not maintain a security list, but he believes he is being punished very unjustly and being blamed for a lot of the criminal activity, when there are some other clubs that continue to break the law and have not been penalized nor closed down for activity such as drugs, prostitution and sex acts.

Although he has made every attempt to make improvements and to control the criminal activity, he continues to be portrayed as a bad business owner who is not doing his job. He recalled an incident in which, as required, he contacted Metro because 300 people were loitering in the parking lot of his business, but even with armed security and him being present, there was only so much he could do because he does not have authority. During another situation, he described a fight that broke out in which a male pulled a gun on his security guard, so he called Metro with the description of the car and the male that was driving. A Metro officer caught him, but subsequently released the male with his gun. When he contacted Metro, MR. JACOBS was informed that the male was released because there are always two sides to every story. He strongly believes that keeping Metro informed has caused him more problems. He emphasized that the people who frequent his bar are the same people who frequent the other bars on the West Side.

He indicated for SENIOR LITIGATION COUNSEL ERBECK that the owner of a Greek restaurant in Holsum Lofts advised him of how happy he/she was that he was opening his business, and that he informed Metro that he was shot at, which he described: an unruly patron was handcuffed and escorted out by security. Subsequently, the patron was released because he expressed remorse, and he drove off in his vehicle. Approximately 15 minutes later, MR. JACOBS asked his security guard, MATHEW, to accompany him and check the alley. As they were coming back to the front of his establishment, he heard gunshots that were being directed at him and MATHEW. MR. JACOBS put out a \$1,500 reward to try to find out who it was.

MR. JACOBS replied to SENIOR LITIGATION COUNSEL ERBECK that he does not believe MATHEW reported to Metro that he lied about being shot at; he believes it was another employee named DAVID, who was fired for not following proper procedures and later claimed to Metro that he resigned because the job was too dangerous.

MR. JACOBS offered to have his son, who is the key employee, testify and answer any questions of SENIOR LITIGATION COUNSEL ERBECK regarding the incident involving eight felons; however, MAYOR GOODMAN did not feel that was necessary.

SENIOR LITIGATION COUNSEL ERBECK verified with MR. DiFIORE his previous testimony that there were approximately 179 calls for service up to 7/19/2009, the date the complaint was filed, that an additional 73 calls for service were made from 7/19/2009 until the

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emergency order was filed and that the emergency closure was based on the escalating number and severity of the calls for service. MR. DiFIORE added that since the emergency suspension order was filed, there have been no calls for service; only one Metro self-generated bar perimeter check.

MR. JACOBS insisted that there is a discrepancy in the reports regarding the total number of calls for service.

CITY ATTORNEY JERBIC and SENIOR LITIGATION COUNSEL ERBECK requested the complaint binder containing evidence and filed with the City Clerk's Office be admitted as evidence.

COUNCILMAN WOLFSON voiced concerns about the relevance of calls for service and asked if most of the calls for service in this matter were made by the owner and if the perimeter check was warranted. MR. DiFIORE replied that there is no way of knowing who made the calls, and that perimeter checks are generally done because of previous problems, not necessarily because of a problem on the day the check is done.

COUNCILMAN WOLFSON stressed that the number of calls for service does not mean anything to him, especially in such a highly trafficked area. Therefore, he directed MR. DiFIORE that future reports provide an abstract of the calls for service, because a report giving the number of vehicles and pedestrians stopped is not very helpful to him. He emphasized that 50 percent of the calls for service do not say anything relevant to whether or not a business should be closed.

COUNCILWOMAN TARKANIAN asked if other businesses in the area have similar calls for service, to which MR. DiFIORE replied that the La Cabana Cantina located next door had two calls for service during a six-month period over a year ago, and, according to Metro, there have been none since then.

MR. JACOBS stated that he closes early because of the bad economy and the reports show that many of the problems occurred after he closed.

COUNCILMAN ANTHONY stated that a lot of dangerous activity is taking place at this business. He appreciated everything MR. JACOBS is trying to do, but the violence continues. At the Councilman's request, MR. JACOBS suggested changing the hours of operation because the majority of the problems occur outside and in the back alley, where gang members congregate. He could notify Metro immediately upon sensing any type of negative activity. Having a Metro officer on patrol and standby might help as his guards are not respected, despite having changed their uniforms and having them armed.

COUNCILMAN REESE wondered if closing this business will just make violators go elsewhere to cause problems.

COUNCILMAN BARLOW mentioned that he brought to MR. JACOBS' attention the issues associated with Squiggy's and that they ceased once the business was shut down. The Councilman pointed out that the area MR. JACOBS referred to as the West Side is known as the

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Medical District, and he disagreed that it is a bad area with a lot of criminal activity. He believes it is Paradise Lounge that is the cause of the problems.

COUNCILMAN BARLOW pointed out that MR. JACOBS committed to running the business differently and with a different genre of music to deter problems. Requiring MR. JACOBS and his security guards to be armed with guns and Tasers means that there is so much danger that people should not be in the area or near the bar.

Although he appreciated COUNCILMAN WOLFSON'S concerns about the calls for service, COUNCILMAN BARLOW emphasized that MR. JACOBS has not lived up to his commitment, and that he submitted ex-felons for work cards to work as security guards. The Councilman stated that the report he received is not favorable, and he listed some of the incidents that occurred and their dates.

COUNCILMAN BARLOW stated that he restricted the hours of operation, and he read from the minutes of the 11/19/2008 Council meeting regarding this matter, at which time MR. JACOBS was allowed to operate with a six-month review, but it was after that review period that the number of incidents spiked. At that time, MR. JACOBS represented that he needed to rid the center of crime and that he would operate a blues bar. The Councilman noted that the calls for service reported under Tab 5 of the complaint indicate they were made between the hours of 12:00 a.m. and 5:00 a.m.

COUNCILMAN BARLOW said that he has been diligent in his quest to improve and bring development and redevelopment to Ward 5, but MR. JACOBS has been very condescending; therefore, the Councilman recommended denial of all the licenses. CITY ATTORNEY JERBIC and MR. DiFIORE advised that all the licenses include those listed in the Recommendation section and the complaint.